



February 13, 2023

Chairs and distinguished members of the Human Services Committee,

I serve as the CEO of Fair Haven Community Health Clinic in New Haven. My testimony is being provided in connection with SB 990, An Act Concerning Cost-Based Reimbursement for Federally Qualified Health Centers.

I am here today to tell you that the State of Connecticut Department of Social Services policy and practices with respect to FQHC reimbursement is BROKEN. As such, there is a dire need for a remedy to the current rate change process in place through the Department of Social Services. For over 20 years, since FQHC rates were set in 2001 by Federal law, CT Health Centers have had minimal to no increase in rates beyond the nominal Medicare Economic Index or MEI, which has averaged close to 1% annually for 22 years.

Let me share our health center's experience as it serves as the bellwether for the other FQHCs. Our rate was set by CMS statute in 2001. Until we brought legal pressure to bear on DSS, these rates changed only by the nominal MEI, ie 1% annually, over the ensuing 20 years.

In 2016, our health center applied for a rate increase request based on an increase in the type and volume of services. This was denied.

In 2019, we re-applied. Once again, our request was fully denied.

We appealed the 2019 decision. In June 2021, a re-hearing of our rate request took place. The hearing officer was an attorney employee of DSS. The hearing took place over 2 full days. FHCHC provided testimony from two national experts, in support of our request for a rate adjustment. Once again, our efforts were stifled.

At that point in time, we opted to move forward with legal remedies, requesting an arbitration panel's overview of the issue.

On Aug 8, 2022, our case was heard by a panel of three legal authorities—two state court judges and a former attorney for the attorney general's office.

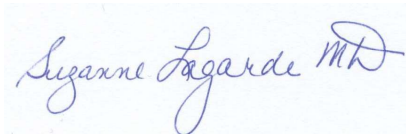
On Dec 6, 2022, the panel issued its decision finding that DSS acted "in violation of statutory provisions affected by other error of law and characterized by abuse of discretion..." The arbitration panel agreed that a rate increase was warranted and remanded the matter back to DSS. DSS has since agreed to settle rather than have a precedential decision.

From our first attempt in 2016 to today, it's been 6 ½ years. DSS does not have a clear process or methodology that is compliant with federal law for determining FQHC changes in scope of services and has refused to comply with the federal law. This has put our patients at risk and in jeopardy. This needs to change.

I URGE THE LEGISLATURE TO EXAMINE THIS PROBLEM. Continuation of the status quo will, put at RISK MANY OF THE FQHCS WHO SERVE THE MARGINALIZED POPULATIONS IN THE STATE. Without substantial and deserved increases in rates, health centers will have to DRASTICALLY CURTAIL SERVICES with severe

consequences to the underserved in CT. This is an issue of equity which needs your immediate attention.

Thank you

A handwritten signature in blue ink that reads "Suzanne Lagarde MD". The signature is written in a cursive style with a large, stylized "S" and "L".

Suzanne Lagarde MD MBA
CEO, Fair Haven Community Health Care
New Haven, CT